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Evolution of the Trade Balance in Response to Exchange Rate Policy: State of the Art

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ABSTRACT: The main objective of this paper is to give a comprehensive overview of the scientific literature on the impact of exchange rate policy choices on a country's trade balance. As the global economy becomes more interconnected, no country can be fully self-sufficient. All nations must participate in international trade and maintain economic relations. In this context, exchange rate policy has become an important tool for managing these transactions. It has also become a key indicator of economic performance for each country, which explains why it attracts growing interest from researchers and policymakers

KEYWORDS: Trade Balance, Exchange Rate Policy, Systematic Literature Network Analysis, Inflation, International Trade.

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With this intention, we conducted a Systematic Literature Network Analysis (SLNA), which combines a systematic literature review with bibliometric network analysis. This approach helps us map out the core concepts and identify future research directions[2]. We collected biblio-graphic data from Scopus and selected studies based on their titles, abstracts, and keywords. Only peer-reviewed research articles published between 2016 and 2026 in English or French were included in the analysis.

Our results show that the literature uses different perspectives to explain the relationship between exchange rate policy and the trade balance. The keyword co-occurrence network iden-tifies trade balance as the central research topic, closely linked to themes such as depreciation, exports, imports, inflation, trade deficits, and international trade. The presence of several in-terconnected clusters indicates that the relationship between exchange rate policy and trade balance has been explored from multiple angles, including macroeconomic conditions, trade per-formance, and country-specific case studies. This bibliometric mapping offers a clear picture of the main research themes and provides a solid foundation for future work on this subject.

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